

BLUESTAR

N e t w o r k s

RECEIVED
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EXECUTIVE

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May 19, 2000

Via Hand Delivery

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Amendment to Interconnection Agreement between BellSouth
Telecommunications, Inc. and BlueStar Networks, Inc.
Docket No. 00-00202

Dear Mr. Waddell:

On March 9, 2000, BellSouth filed an amendment executed January 27, 2000 to its Interconnection Agreement with BlueStar (the "Amendment"). That Amendment is to be considered by the Authority at its May 23, 2000 Conference.

Since BellSouth and BlueStar executed the Amendment, the terms have been revised pursuant to a subsequent amendment. In addition, the parties have executed other amendments to their Interconnection Agreement. To avoid confusion and to ensure that the filings with the Authority are complete, BellSouth and BlueStar request that the Authority defer consideration of the Amendment. The parties are filing with this letter all of the amendments to their Interconnection Agreement executed since January 27, 2000 (other than the January 27, 2000 Amendment and the Disaster Recovery Plan, both of which have previously been filed with the Authority). The parties request that all of the amendments, including the January 27, 2000 Amendment and the Disaster Recovery Plan, be considered together at the Authority's earliest convenience.

If you have any questions concerning this filing, please call either Guy Hicks or me.

Sincerely,



Michael B. Bressman
Associate General Counsel

cc: Guy Hicks

401 Church Street 24th Floor
Nashville, Tennessee 37219
615.255.2100 Fax 615.255.2102
www.bluestar.net

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PAGE 02

STIPULATION

THIS STIPULATION between BellSouth Telecommunications, Inc. ("BellSouth") and BlueStar Networks, Inc. ("BlueStar") is entered into and effective this 28th day of February, 2000. BellSouth and BlueStar are collectively referred to herein as the "Parties."

WHEREAS, BlueStar filed a Petition for Arbitration with BellSouth pursuant to the Telecommunications Act of 1996 ("Petition") on December 7, 1999 with the Florida Public Service Commission, the Georgia Public Service Commission, the Kentucky Public Service Commission, and the Tennessee Regulatory Authority, (collectively, the "Commissions");

WHEREAS, Issues¹ 1, 8, 12, and 13 had previously been resolved by the Parties;

WHEREAS, Issue 14 was removed from the Florida arbitration by an order of the Florida Public Service Commission's staff dated January 25, 2000, which is the subject of a Motion for Reconsideration filed February 4, 2000;

WHEREAS, BlueStar is participating in BellSouth's cooperative line sharing negotiations along with a number of other CLECs that will work in a cooperative effort to determine the rates, terms and conditions for line sharing including, conducting a line sharing trial;

WHEREAS, the Parties have continued to negotiate to resolve the issues contained in the Petition; and

WHEREAS, the Parties have reached a resolution on many of the issues.

NOW, THEREFORE, the Parties hereby agree as follows:

1. The Parties have resolved Issues 3, 4, 6a-e, 7 and 9 for all four states; Issue 15 only in Florida and Georgia; and Issue 10a and 10b only in Florida. An Amendment reflecting the resolution of Issues 3, 4, 6a-e, 7, 9 and 15, is attached.

2. As a result of the cooperative line sharing negotiations, BlueStar and BellSouth believe that Issues 2 and 11 of the arbitration proceeding will be addressed during the cooperative negotiations and therefore agree to remove these issues from this proceeding.

3. All other issues not resolved by the Parties remain pending in this proceeding; provided, however, that with respect to Issue 14, BlueStar reserves all legal rights to seek review or appeal of the Florida Public Service Commission's Order.

4. Either or both of the Parties shall submit this Stipulation to the Commissions.

¹ The form and numbering of the issues contained in this Stipulation correspond with the form and numbering of the "Tentative List of Issues" attached as Appendix A to the Order of the Florida Public Service Commission, Docket No. 991838-TP (January 21, 2000). This Order reflects the prior resolution of Issues 1, 8, 12 and 13.

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PAGE 03

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed by their respective duly authorized representatives on the date indicated below.

BlueStar Networks, Inc.

BellSouth Telecommunications, Inc.

By: Norton CutlerName: Norton CutlerTitle: General CounselDate: 2/28/00By: Jerry D. HendrixName: Jerry D. HendrixTitle: Sr. DirectorDate: 2/28/00

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PAGE 04

**AMENDMENT TO THE
AGREEMENT BETWEEN
BLUESTAR NETWORKS, INC.
AND BELLSOUTH TELECOMMUNICATIONS, INC.
DATED DECEMBER 28, 1999
(Florida, Georgia, Kentucky and Tennessee)**

Pursuant to this Amendment, BlueStar Networks, Inc. ("BlueStar") and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to individually as a "Party" or collectively as the "Parties," hereby amend that certain Interconnection Agreement between the Parties dated December 28, 1999 (the "Interconnection Agreement").

WHEREAS, the Parties entered into an Interconnection Agreement on December 28, 1999; and

WHEREAS, the Parties desire to amend that Interconnection Agreement.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. The Interconnection Agreement entered into between the Parties is hereby amended to delete Section 2.1.7 of Attachment 2 in its entirety and replace it with new Section 2.1.7 of Attachment 2 as follows:

2.1.7 Where facilities are available, BellSouth will install loops within the time interval listed in the Product and Service Interval Guide Issue 2-b, December 1999 posted on the BellSouth web site and incorporated herein by this reference. Some loops require a Service Inquiry (SI) to determine if facilities are available prior to issuing the order. The interval for SI process is included in the intervals listed in the guide. For expedite requests by BlueStar, expedite charges will apply for intervals less than 5 days. The charges outlined in BellSouth's PCC #1 Tariff, Section 5.1.1 will apply. If BlueStar cancels an order for network elements and other services, any costs incurred by BellSouth in conjunction with the provisioning of that order will be recovered in accordance with FCC #1 Tariff, Section 5.4.

2. Attachment 6 of the Interconnection Agreement entered into between the Parties is hereby amended to include a new Section 2.4.1 as follows:

2.4.1 Pursuant to the Appendix A of the document entitled, "Operational Understanding between BellSouth Maintenance Centers and CLEC

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PAGE 05

Maintenance Centers for Local Services." BlueStar may request escalations for repair services for any customer.

3. The General Terms and Conditions of the Interconnection Agreement entered into between the Parties in Florida and Georgia is hereby amended to delete Section 12 of the Interconnection Agreement in its entirety and replace it with new Section 12 as follows:

12. Resolution of Disputes

The Parties agree that it is in their interest to resolve disputes arising under this contract in an expedited manner. To expedite resolution of disputes, such as access to collocations or provisioning, the Parties agree to form an Intercompany Board. Each Party will designate one person (and one alternative person in case the primary designee is unavailable) with sufficient authority to resolve disputes quickly. If a dispute arises that is not being resolved quickly in the ordinary course, a Party's designee shall contact the other Party's designee. The two will then work together to resolve the dispute within 2 business days. If the dispute cannot be resolved within the 2 business days, either Party may file a Petition or Complaint with the Commission for a resolution of the dispute.

4. Attachment 6 of the Interconnection Agreement entered into between the Parties, is hereby amended to incorporate a new Section 2.7 as follows:

BellSouth has set a target of 3Q00 as the date by which its EDI and TAG interfaces will support xDSL services.

5. Attachment 2 of the Interconnection Agreement entered into between the Parties is hereby amended to include a new Section 2.1.16 as follows:

2.1.16 BellSouth shall provide BlueStar with non-discriminatory access to the loop qualification information that is available to BellSouth, so that BlueStar can make an independent judgment about whether the loop is capable of supporting the advanced services equipment that BlueStar intends to install. Loop qualification information is defined as information, such as the composition of the loop material, including but not limited to: fiber optics or copper, the existence, location and type of any electronic and other equipment on the loop, including but not limited to, digital loop carrier or other remote concentration devices, feeder/distribution interfaces, bridge taps, load coils, pair-gain devices, disturbers in the same or adjacent binder groups; the loop length, including the length and location of each type of transmission media; the wire gauge(s) of the loop; and the electrical parameters of the loop, which may determine the suitability of the loop for various technologies.

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PAGE 06

BellSouth shall make such information available to BlueStar in accordance with the FCC's UNE Remand Order. BellSouth is developing an electronic interface to its Loop Facility Assignment Control System ("LFACS") with a targeted date of third quarter 2000 for implementation. BlueStar currently has electronic access to BellSouth's Loop Qualification System (LQS).

6. This Amendment shall have an effective date of February 28, 2000.

7. All other provisions of the Interconnection Agreement dated December 28, 1999 shall remain in full force and effect.

8. Either or both of the Parties shall submit this Amendment to the appropriate Commission for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to the Interconnection Agreement be executed by their respective duly authorized representatives on the date indicated below.

BlueStar Networks, Inc.

BellSouth Telecommunications, Inc.

By: Norton Cutler

Name: Norton Cutler

Title: General Counsel

Date: 2/28/00

By: Jerry D. Hendrix

Name: Jerry D. Hendrix

Title: Sr. Director

Date: 2/28/00

STIPULATION
(Tennessee)

THIS STIPULATION between BellSouth Telecommunications, Inc. ("BellSouth") and BlueStar Networks, Inc. ("BlueStar") is entered into and effective this 12th day of April, 2000. BellSouth and BlueStar are collectively referred to herein as the "Parties."

WHEREAS, BlueStar filed a Petition for Arbitration with BellSouth pursuant to the Telecommunications Act of 1996 ("Petition") on December 7, 1999 with the Tennessee Regulatory Authority (the "Authority");

WHEREAS, the Parties have continued to negotiate to resolve the issues contained in the Petition; and

WHEREAS, the Parties have resolved Issue 15 of the Petition and have agreed to set interim rates subject to true up for elements covered by Issue 11.

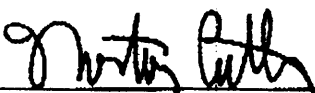
NOW, THEREFORE, the Parties hereby agree as follows:

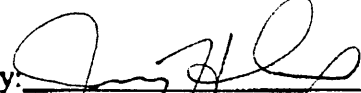
1. The Parties have resolved Issue 15 of the Petition in Tennessee and have agreed in Tennessee to set interim rates subject to true up for elements covered by Issue 11. An Amendment reflecting this resolution and agreement is attached.
2. All other issues not resolved by the Parties remain pending in this proceeding.
3. Either or both of the Parties shall submit this Stipulation to the Authority.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed by their respective duly authorized representatives on the date indicated below.

BlueStar Networks, Inc.

BellSouth Telecommunications, Inc.

By: 

By: 

Name: Norton Cutler

Name: Jerry D. Hendrix

Title: VP Regulatory & General Counsel

Title: Sr. Director

Date: April 12, 2000

Date: 4/13/00

**AMENDMENT TO THE
AGREEMENT BETWEEN
BLUESTAR NETWORKS, INC.
AND BELL SOUTH TELECOMMUNICATIONS, INC.
DATED DECEMBER 28, 1999
(Tennessee)**

Pursuant to this Amendment, BlueStar Networks, Inc. ("BlueStar") and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to individually as a "Party" or collectively as the "Parties," hereby amend that certain Interconnection Agreement between the Parties dated December 28, 1999 (the "Interconnection Agreement") in the state of Tennessee.

WHEREAS, the Parties entered into an Interconnection Agreement on December 28, 1999; and

WHEREAS, the Parties desire to amend that Interconnection Agreement.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. The ADSL/HDSL rates contained in Attachment 2, Exhibit C are hereby revised as follows:

2-Wire Asymmetrical Dig Subscriber Line (ADSL) Compatible Loop	USOC	Tennessee Rates*
Per Month	UAL2X	\$12.16
NRC- First	UAL2X	\$270.01
NRC - Add'l	UAL2X	\$234.63
NRC - Disconnect - First	SOMAN	\$74.54
NRC - Disconnect - Add'l	SOMAN	\$39.14
Order Coordination for Specified Conversion Time		\$34.29
2-Wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop		
Per Month	UHL2X	\$8.78
NRC - First	UHL2X	\$270.01
NRC - Add'l	UHL2X	\$234.63
NRC - Disconnect - First	SOMAN	\$74.54
NRC - Disconnect - Add'l	SOMAN	\$39.14
Order Coordination for Specified Conversion Time		\$34.29

* All rates are interim, subject to true-up once rates are ordered by the TRA.

2. The Unbundled Copper Loop (UCL) rates and Loop Conditioning rates for Tennessee in the January 27, 2000 Amendment are hereby revised as follows:

2.1.2.8.1 The following rates for Tennessee are interim rates subject to true-up.

2-Wire Unbundled Copper Loop (18 kft. or less)	USOC	Tennessee Rates*
Recurring	UCLPB	\$12.16
Non-Recurring, 1 st	UCLPB	\$270.01
Non-Recurring, Add'l	UCLPB	\$234.63
Disconnect - 1 st	UCLPB	\$74.54
Disconnect - Add'l	UCLPB	\$39.14
Order Coordination	UCLMC	\$34.29
2-Wire Unbundled Copper Loop (> 18 kft.)		
Recurring	UCL2L	\$12.16
Non-Recurring, 1 st	UCL2L	\$270.01
Non-Recurring, Add'l	UCL2L	\$234.63
Disconnect - 1 st	UCL2L	\$74.54
Disconnect - Add'l	UCL2L	\$39.14
Order Coordination	UCLMC	\$34.29
Loop Conditioning**		Tennessee Rates*
Remove Equipment <18kft		
First Install		\$70.04
Add'l Install		\$70.04
Remove Equipment > 18kft		
First Install		\$765.29
Add'l Install		\$23.74
Remove Bridge Tap		
Per Pair		\$105.34

* All rates are interim rates, subject to true-up once final cost are determined. However, until final cost are determined, the UCL rates will be true-up based on the ADSL/HDSL rates once final costs are determined.

** The Loop Conditioning charges apply in addition to the UCL NRCs.

The Parties agree that the prices reflected herein shall be "true-up" (up or down) based on final prices either determined by further agreement or by final order, including any appeals, in a proceeding involving BellSouth before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this agreement, including the FCC. Under the "true-up" process, the price for each service shall be multiplied by the volume of that service purchased to arrive at the total interim amount paid for that service ("Total Interim Price"). The final price for that service shall be multiplied by the volume purchased to arrive at the total final amount due ("Total Final Price"). The Total Interim Price shall be compared with the Total Final Price. If the Total Final Price is more than the Total Interim Price, Bluestar shall pay the difference to BellSouth. If the Total Final Price is less than the Total Interim Price, BellSouth shall pay the difference to Bluestar. Each party shall keep its own records upon which a "true-up" can be based and any final payment from one party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such "true-up," the Parties agree that such differences shall be resolved through arbitration.

3. Section 12 of the General Terms and Conditions is hereby deleted in its entirety and replaced with the following language:

12. Resolution of Disputes

The Parties agree that it is in their interest to resolve disputes arising under this contract in an expedited manner. To expedite resolution of disputes, such as access to collocations or provisioning, the Parties agree to form an Intercompany Board. Each Party will designate one person (and one alternative person in case the primary designee is unavailable) with sufficient authority to resolve disputes quickly. If a dispute arises that is not being resolved quickly in the ordinary course, a Party's designee shall contact the other Party's designee. The two will then work together to resolve the dispute within 2 business days. If the dispute cannot be resolved within the 2 business days, either Party may file a Petition or Complaint or otherwise seek resolution of the dispute from the Tennessee Regulatory Authority.

4. This Amendment shall have an effective date of April 12, 2000.

5. All other provisions of the Interconnection Agreement dated December 28, 1999 shall remain in full force and effect.

6. Either or both of the Parties shall submit this Amendment to the appropriate Commission for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to the Interconnection Agreement be executed by their respective duly authorized representatives on the date indicated below.

BlueStar Networks, Inc.

By: 

Name: Noam Cutler

Title: VP Regulatory & General Counsel

Date: April 12, 2000

BellSouth Telecommunications, Inc.

By: 

Name: Jerry S. Hendrix

Title: Sr. Director

Date: 4/13/00

**INTERIM AMENDMENT
TO THE
INTERCONNECTION AGREEMENTS BETWEEN
BLUESTAR NETWORKS, INC. AND
BELL SOUTH TELECOMMUNICATIONS, INC.
APRIL 25, 2000**

Pursuant to this Interim Amendment (the "Interim Amendment"), BellSouth Telecommunications, Inc. ("BellSouth") and BlueStar Networks, Inc. ("CLEC"), hereinafter referred to collectively as the "Parties," hereby agree to amend those certain Interconnection Agreements between the Parties dated December 7, 1999 (Alabama, Louisiana, Mississippi, and South Carolina), December 28, 1999 (Florida, Georgia, Kentucky, and Tennessee), and August 20, 1999 (North Carolina) (collectively, the "Interconnection Agreement").

WHEREAS, the Federal Communications Commission issued In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket Nos. 98-147 and 96-98, Third Report and Order in CC Docket 98-147 and Fourth Report and Order in CC Docket No. 96-98, (Rel. Dec. 9, 1999) (hereafter the "Line Sharing Order");

WHEREAS, the Line Sharing Order requires BellSouth to provide competitive local exchange carriers access to the High Frequency Loop Spectrum as an unbundled network element ("High Frequency Loop Spectrum") throughout the BellSouth region no later than June 6, 2000; and

WHEREAS, CLEC has expressed a desire in purchasing the High Frequency Loop Spectrum when it becomes available.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, BellSouth and CLEC hereby agree as follows:

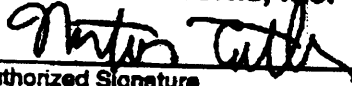
- 1.0 BellSouth will, upon CLEC's request, provide CLEC the ability to order splitters to be used in connection with BellSouth's full commercial implementation of the FCC's Line Sharing Order. Splitters to be deployed in all states in BellSouth's region may be ordered upon execution of this Interim Amendment.
- 2.0 CLEC will bear its pro rata share of the costs associated with such splitters ordered in conjunction with full commercial implementation of the FCC's Line Sharing Order. Such costs will be addressed in the final Amendment to the Interconnection Agreement relating to BellSouth's providing CLEC with access to the High Frequency Loop Spectrum ("High Frequency Spectrum Amendment").
- 3.0 The following conditions shall apply to the purchase of splitters:

- 3.1 Initially, BellSouth will select, purchase, install, and maintain a central office POTS splitter and permit CLEC to interconnect to data ports on the splitter. CLEC shall thereafter purchase ports on the splitter as set forth more fully below.
- 3.2 BellSouth will install the splitter in (i) a common area close to the CLEC collocation area, if possible; or (ii) in a BellSouth relay rack as close to the CLEC DS0 termination point as possible. For purposes of this section, a common area is defined as an area in the central office in which both Parties have access to a common test access point. BellSouth will cross-connect the splitter data ports to a specified CLEC DS0 at such time that a CLEC end user's service is established.
- 3.3 CLEC may only order splitter ports in increments of twenty-four (24) or ninety-six (96) ports.
- 3.4 BellSouth will begin accepting orders for access to the High Frequency Spectrum only upon execution of a final Amendment to the Interconnection Agreement presently being negotiated by the Parties. Upon execution of said amendment, BellSouth will begin accepting orders on or after June 6, 2000.
- 4.0 All terms and conditions of this Interim Amendment shall be superseded in their entirety by the High Frequency Spectrum Amendment.
- 5.0 This Interim Amendment shall not modify the existing Interconnection Agreement between the Parties, including the rates stated therein, except as expressly stated herein.
- 6.0 All other provisions of the Interconnection Agreement, together with all amendments in effect as of the date of execution of this Amendment, shall remain in full force and effect.
- 7.0 Either or both of the Parties is authorized to submit this Amendment to the appropriate Commission or other regulatory body having jurisdiction over the subject matter of this Amendment, for approval subject to Section 252(e) of the federal Telecommunications Act of 1996.
- 8.0 The Parties agree that the prices reflected herein shall be "true-up" (up or down) based on final prices either determined by further agreement or by final order, including any appeals, in a proceeding involving BellSouth before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this agreement, including the Federal Communications Commission (hereinafter "Commission"). Under the "true-up" process, the price for each service shall be multiplied by the volume of that service purchased to

arrive at the total interim amount paid for that service ("Total Interim Price"). The final price for that service shall be multiplied by the volume purchased to arrive at the total final amount due ("Total Final Price"). The Total Interim Price shall be compared with the Total Final Price. If the Total Final Price is more than the Total Interim Price, CLEC shall pay the difference to BellSouth. If the Total Final Price is less than the Total Interim Price, BellSouth shall pay the difference to CLEC. Each party shall keep its own records upon which a "true-up" can be based and any final payment from one party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such "true-up," the Parties agree that such differences shall be resolved through the dispute resolution procedures specified in section 11 of the General Terms & Conditions of the Interconnection Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representatives on the date indicated below.


BlueStar Networks, Inc.


Authorized Signature
Norton Cutler
VP Regulatory + General Counsel
Print or Type Name

Title

4/25/00
Date

BellSouth Telecommunications, Inc.


Authorized Signature
Jerry D. Hendrix
Print or Type Name

Sr. Director
Title

4/25/00
Date